

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF VALLEY)	CASE NO. 89-103-A
GAS, INC.)	

O R D E R

On November 9, 1989, the Commission issued its Order in Case No. 89-103 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On January 19, 1990, Valley Gas, Inc. ("Valley") notified the Commission that its wholesale cost of gas would be increased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective February 1, 1990, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Valley's notice of January 19, 1990 set out certain revisions in rates which Valley proposed to place into effect, said rates being designed to pass on a wholesale increase in price from its supplier in the amount of \$38,397 or 68.8 cents per Mcf.

2. Texas Gas applied with the Federal Energy Regulatory Commission for an increase with an effective date of February 1,

1990. These rates are subject to refund; hence, Valley's rates should be subject to refund. The effective date for Valley's rates should be on and after the date of this Order.

3. Valley's adjustment in rates under the PGA provisions approved by the Commission in its Order in Case No. 89-103 dated November 9, 1989 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after the date of this Order, subject to refund.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are hereby authorized effective with gas supplied on and after the date of this Order, subject to refund.

2. Within 30 days of the date of this Order, Valley shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20th day of February, 1990.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-103-A DATED February 20, 1990.

The following rates are prescribed for the customers served by Valley Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rate:

Customer Charge	\$3.40 per month
All MCF	4.8611 per MCF

The base rate for the future application of the purchased gas adjustment clause of Valley Gas, Inc., shall be:

Commodity

Texas Gas Transmission Corporation \$3.4943 Per Dth